

EXHIBIT B

Pacem's proposed redacted DSP-6

U.S. Department of State

OMB APPROVAL NO. 1405-0092
EXPIRATION DATE: 01/31/2025
*ESTIMATED BURDEN: 30 MINUTES

Application for Amendment to a DSP-5 License

*PAPERWORK REDUCTION ACT STATEMENT: Public reporting burden for this collection of information is estimated to average 30 minutes per response, including time required for searching existing data sources, gathering the necessary data, providing the information required, and reviewing the final collection. Send comments on the accuracy of this estimate of the burden and recommendations for reducing it to: Department of State (A/GIS/DIR) Washington, D.C. 20520.

1. Date Prepared

02/23/2024

2. DDTC Registration Code

M39137

3. Applicant

Applicant Information

Name Pacem Defense LLC
Attention Brian Crouch
Street Address 2941 FAIRVIEW PARK DR STE 350
City Falls Church
State/Province Virginia
ZIP/Postal Code 22042
Country United States
Telephone 8508419969

4. Amendment to License #

I certify that the stated license has an unshipped balance and has not expired.
050784453

5. Amendment in Accordance with

- ☒ 22 CFR 123.25
☐ 22 CFR 122.4

6. Compliance Case Number

This amendment is not selected in block-8.

7. Applicant Contact for Additional Information

Applicant Contact # 1
Name Joseph E Schmitz
Telephone 7039923095
Extension

8. Summary of Amendment(s) to DSP-5

- ☐ DTCC Acknowledgment Letter (Modify Blocks 2, 5, 15, 17, 19, and/or 21)
☐ Modify Applicant/Registrant Code
☐ Modify Block 5, Applicant/Subsidiary
☐ Correct Block 9, Quantity
☐ Correct Block 10, Commodity Description
☐ Correct Block 12, \$ Value
☐ Correct Block 13, License Total Value Only
☐ Correct Block 14, Foreign End-User
☐ Modify Block 15, Manufacturer of Commodity

- ☐ Modify Block 16, Foreign Consignee
- ☐ Modify Block 17, Source of Commodity
- ☐ Modify Block 18, Foreign Intermediate Consignee
- ☐ Modify Block 19, Seller in U.S.
- ☒ Modify Block 21, U.S. Consignor and/or U.S. Freight Forwarder

20. Change in U.S. Consignor/Freight Forwarder (DSP-5 Block 21)

Item # 1

A. Type of Modification: Add new U.S. consignor/freight forwarder

B. State specific reason for change:

This DSP-6 is being submitted out of an abundance of caution because when Pacem Defense submitted its DSP-5 application on January 2, 2024, it had been assured that Battle Born Munitions (BBM) was not involved. BBM was involved earlier under its own contract with the same foreign consignee, DSS. After the DSP-5 was approved, new information suggested BBM involvement, so we reported it to DDTC. See attached Supplement. Our best understanding now is that BBM will serve as an advisor to DSS.

D. New/Modified US Consignor/Freight Forwarder

New Name: Battle Born Munitions
New Street Address: 3255 Kinney Court
New City: Reno
New State: Nevada
New Zip Code: 89511

21. Additional Details

Through recent correspondence with the Foreign Consignee, DSS PLC, and after issuance of the related DSP-5, PACEM Defense became aware of the support of the Ministry of Defence of the Czech Republic, Intergovernmental Defence Cooperation Agency (AMOS). As this was not known by applicant PACEM Defense, the US Manufacturer and Source of Commodity, we would like to ensure full transparency with DDTC. See attached Supplement.

This application is related to a disclosure filed with Defense Trade Controls Compliance

☐ Yes
 ☒ No

USML Category: III - Ammunition and Ordnance

22. Applicant's Statement

I, Joseph Schmitz, an empowered official (22 CFR 120.67) or an official of a foreign government entity in the U.S., hereby apply for approval of the above amendment(s); warrant the truth of all statements made herein; and acknowledge, understand and will comply with the provisions of 22 CFR 120-130, and any conditions and limitations imposed.

I am authorized by the applicant to certify the following in compliance with 22 CFR 126.13:

1. Neither the applicant, its chief executive officer, president, vice presidents, other senior officers or officials (e.g., comptroller, treasurer, general counsel) nor any member of its board of directors is:
- a. the subject of an indictment for or has been convicted of violating any of the U.S. criminal statutes enumerated in 22 CFR 120.6 since the effective date of the Arms Export Control Act, Public Law 94-329, 90 Stat. 729 , or

b. ineligible to contract with, or to receive a license or other approval to import defense articles or defense services from, or to receive an export license or other approval from any agency of the U.S. Government;

2. To the best of the applicant's knowledge, no party to the export as defined in 22 CFR 120.68(a) has been convicted of violating any of the U.S. criminal statutes enumerated in 22 CFR 120.6 since the effective date of the Arms Export Control Act, Public Law 94-329, 90 Stat. 729 (June 30, 1976), or is ineligible to contract with, or to receive a license or other approval to import defense articles or defense services from, or to receive an export license or other approval from any agency of the U.S. Government.

22 CFR 126.13 Certification

- ☒ a. I am authorized by the applicant to certify that the applicant and all the parties to the transaction can meet in full the conditions of 22 CFR 126.13 as listed above.
- ☐ b. I am authorized by the applicant to certify to 22 CFR 126.13. The applicant or one of the parties of the transaction cannot meet one or more of the conditions of 22 CFR 126.13 as listed above. A request for an exception to policy, as described in 22 CFR 127.11 of the ITAR, is attached.
- ☐ c. I am authorized by the applicant to certify to 22 CFR 126.13. The applicant or one of the parties of the transaction cannot meet one or more of the conditions of 22 CFR 126.13 as listed above. However that party has met the conditions imposed by the Directorate of Defense Trade Controls in order to resume standard submission of applications, not requiring an exception to policy as described in Section 127.11 of the ITAR.
- ☐ d. I am not authorized by the applicant to certify the conditions of 22 CFR 126.13. The applicant and all the parties to the transaction can meet in full the conditions of 22 CFR 126.13 as listed above. Please see the attached letter from an official that is authorized by the applicant to certify to the conditions of 22 CFR 126.13.
- ☐ e. I am not authorized by the applicant to certify the conditions of 22 CFR 126.13. The applicant or one of the parties of the transaction cannot meet one or more of the conditions of 22 CFR 126.13 as listed above. A request for an exception to policy, as described in 22 CFR 127.11 of the ITAR, and a letter from an official that is authorized by the applicant to certify to the conditions of 22 CFR 126.13 are attached.
- ☐ f. I am not authorized by the applicant to certify to 22 CFR 126.13. The applicant or one of the parties of the transaction cannot meet one or more of the conditions of 22 CFR 126.13 as listed above. However that party has met the conditions imposed by the Directorate of Defense Trade Controls in order to resume standard submission of applications, not requiring an exception to policy as described in 22 CFR 127.11 of the ITAR. Please see the attached letter from an official that is authorized by the applicant to certify to the conditions of 22 CFR 126.13.

CONDITIONS OF ISSUANCE

1. When approved, all of the original conditions and limitations except as modified by the Directorate of Defense Trade Controls remain applicable.
2. This amendment, when approved, becomes a part of the license identified in Block 4 on Page 1 of this form. When returned to the applicant, it must be attached to the original license prior to further use of the license or must be provided to U.S. Customs and Border Protection for filing with the original license.

DISPOSITION OF AMENDMENT

The final disposition of this amendment shall be in accordance with 22 CFR 123.22(c) and be accomplished with the final disposition of the license identified in Block 4 on Page 1.

DSP-05 050784453

Page 1 of 1



APPROVE

License Number:
050784453

Date Issued:
01/22/2024

Months Valid:
6

License is hereby granted to the applicant for the commodity described in the attached application to be permanently exported from the United States. This license may be revoked, suspended, or amended by the Secretary of State without prior notice whenever the Secretary deems such action advisable.

The United States Government position on this case consists of this 1 page decision memo and the attached 5 page application. Both must be present for the USG position to be valid.

The POC for this USG action is Thomas Trotto, 202-663-2996, trottot@state.gov.

DSP-05 050784453

Page 1 of 1

U.S. Department of State

Application for Permanent Export of Unclassified Defense Articles, Related Technical Data, and Defense Services

OMB APPROVAL NO. 1405-0003

EXPIRATION DATE: 01/31/2025

*ESTIMATED BURDEN: 1 HOUR

*PAPERWORK REDUCTION ACT STATEMENT: Public reporting burden for this collection of information is estimated to average 1 hour per response, including time required for searching existing data sources, gathering the necessary data, providing the information required, and reviewing the final collection. Send comments on the accuracy of this estimate of the burden and recommendations for reducing it to: Department of State (A/GIS/DIR) Washington, D.C. 20520.

1. Date Prepared

01/02/2024

2. DDTC Registration Code

M39137

3. Country of Ultimate Destination

Ukraine

4. Probable Port of Exit from U.S.

Port 1: Charleston, SC

Port 2: Wilmington, VA

5. Applicant

Applicant Is: Manufacturer

Name: Pacem Defense LLC

Attention: Brian Crouch

Address: 2941 FAIRVIEW PARK DR STE 350

City: Falls Church

State: Virginia

ZIP Code: 22042

Country: United States

Telephone 850-838-8455

6. U.S. Government Personnel (not PM/DDTC) Familiar with Commodity

No value selected. (Optional block)

7. Applicant Contact for Additional Information

Name: Brian Crouch

Telephone: 8508388455

Extension:

Name: Joesph Schmitz

Telephone: 7039923095

Extension:

8. Description of Transaction

- A. This application represents ONLY a completely new shipment
- B. This Application has related license #
- ☐ was licensed to the country in Block 3 of the first page under license #
- ☐ was licensed to other countries under license #
- ☐ was returned without action under voided license #
- ☐ was denied to the country in Block 3 of the first page under voided license #
- C. This Application is in reference to agreement #

D. If the commodity is being financed under

☒ Not Applicable

☐ Foreign Military Sale #

Case Numbers:

☐ Foreign Military Financing #

Case Numbers:

☐ Grant Aid Program #

Case Numbers:

E. This application is related to a disclosure filed with Defense Trade Controls Compliance

☐ Yes ☒ No

9 - 13. Commodity Information

Item	9. Quantity	10. Commodity	11. USML Category	12. \$ Value
1	Quantity: <div></div> Unit Type: Items	M430A1 40mm High Explosive, Dual Purpose (HEDP) Cartridge, preassembled into links for the MK19 Grenade Launcher Defense Article Type: Hardware	III (a(2)) Is a DSP-83 attached? <input checked="" type="radio"/> Yes <input type="radio"/> No	\$ <div></div>
13. Total Value				\$ <div></div>

14. Foreign End-User

Name: National Police of Ukraine
Address: Bolgomosta, Street 10, Kyiv 01601
City: Kyiv
Country: Ukraine

15. Manufacturer of Commodity

Name: PACEM Defense, LLC
Address: 4700 Providence Road
City: Perry
Country: United States
State: Florida
Zip Code: 32347

16. Foreign Consignee

Name: DSS PLC
Address: Klobounick 1735/26 140 00
City: Prague
Country: Czechia

17. Source of Commodity

Name: PACEM Defense, LLC
 Address: 4700 Providence Road
 City: Perry
 Country: United States
 State: Florida
 Zip Code: 32347

18. Foreign Intermediate Consignee

Name: DSS PLC
 Address: Klobounick 1735/26 140 00
 City: Prague
 Country: Czechia
 Role: Receiver in Czechia as intermediate location for handling and trucking transfer to the end user. Licensed Importer to the EU.

Name: Simtex International, Ltd.
 Address: 4 West Links, The Business Village, Tollgate
 City: Chandlers Ford
 Country: United Kingdom
 Role: U.K. based Shipper. They use Expedited World Cargo, Inc. for the AES filing, who is listed in Block 21 as freight forwarder..

19. U.S. Seller

Name: PACEM Defense, LLC
 Address: 4700 Providence Road
 City: Perry
 State: Florida
 ZIP Code: 32347

20. Specific Purpose

- ☐ Off-Shore procurement
- ☐ Request for Prior Approval (22 CFR 126.8)
- ☐ Brokering (22 CFR 129)
- ☒ Other

Defense capability improvement of the Ukraine National Police Forces. To facilitate the Administration of Ukraine's defense capabilities and mobilization readiness, to protect the population in an emergency situation, to ensure national security and defense, to repel and deter armed aggression.

21. U.S. Consignor/Freight Forwarder

Name: National Air Cargo
 Address: 5955 T.G. Lee Blve, Suite 500
 City: Orlando
 State: Florida
 Zip Code: 32822

Name: Expedited World Cargo Inc
 Address: 22710 Executive Drive, Suite 200

City: Dulles
 State: Virginia
 Zip Code: 20166

22. Applicant's Statement

I, Brian Crouch, an empowered official (22 CFR 120.67) or an official of a foreign government entity in the U.S., hereby apply for a license to complete the transaction described above; warrant the truth of all statements made herein; and acknowledge, understand and will comply with the provisions of 22 CFR 120-130, and any conditions and limitations imposed.

I am authorized by the applicant to certify the following in compliance with 22 CFR 126.13:

1. Neither the applicant, its chief executive officer, president, vice presidents, other senior officers or officials (e.g., comptroller, treasurer, general counsel) nor any member of its board of directors is:
 - a. the subject of an indictment for or has been convicted of violating any of the U.S. criminal statutes enumerated in 22 CFR 120.6 since the effective date of the Arms Export Control Act, Public Law 94-329, 90 Stat. 729 (June 30, 1976); or
 - b. ineligible to contract with, or to receive a license or other approval to import defense articles or defense services from, or to receive an export license or other approval from any agency of the U.S. Government;
2. To the best of the applicant's knowledge, no party to the export as defined in 22 CFR 120.68(a) has been convicted of violating any of the U.S. criminal statutes enumerated in 22 CFR 120.6 since the effective date of the Arms Export Control Act, Public Law 94-329, 90 Stat. 729 (June 30, 1976); or is ineligible to contract with, or to receive a license or other approval to import defense articles or defense services from, or to receive an export license or other approval from any agency of the U.S. Government; and

22 CFR 126.13 Certification

- ☒ a. I am authorized by the applicant to certify that the applicant and all the parties to the transaction can meet in full the conditions of 22 CFR 126.13 as listed above.
- ☐ b. I am authorized by the applicant to certify to 22 CFR 126.13. The applicant or one of the parties of the transaction cannot meet one or more of the conditions of 22 CFR 126.13 as listed above. A request for an exception to policy, as described in 22 CFR 127.11 of the ITAR, is attached.
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Compliance with 22 CFR 130

- ☐ This transaction does not meet the requirements of 22 CFR 130.2.

- ☒ This transaction meets the requirements of 22 CFR 130.2. The applicant or its vendors have not paid, nor offered, nor agreed to pay, in respect of any sale for which a license or approval is requested, political contributions, fees or commissions in amounts as specified in 22 CFR 130.9(a).
- ☐ The applicant or its vendors have paid, or offered, or agreed to pay, in respect of any sale for which a license or approval is requested, political contributions, fees or commissions in amounts as specified in 22 CFR 130.9(a). Information required under 22 CFR 130.10 is attached.
- ☐ I am not authorized by the applicant to certify the conditions of 22 CFR 130.9(a). Please see the attached letter for such certification.

CONDITIONS OF ISSUANCE

1. This license is issued under the conditions cited in 22 CFR 120-130, including the conditions and limitations as applicable, that:
 - A. It shall not be construed as implying U.S. Government approval or commitment to authorize future exports of any defense article (hardware or technical data) on the U.S. Munitions List (USML), or a U.S. Government commitment with regard to any proposed manufacturing license, technical assistance or distribution agreement that may result from a license or other approval.
 - B. If a license is issued for technical data only, it does not authorize the export of any hardware; if a license is issued for hardware only, it does not authorize the export of any technical data, unless specifically authorized by an exemption.
 - C. The issuance of this license does not release the applicant, or anyone acting on their behalf, from complying with other requirements of U.S. law and regulations.
 - D. This transaction may be subject to end-use monitoring by the United States Government.
2. The prior written approval of the Department of State, Directorate of Defense Trade Controls, must be obtained before USML defense articles exported from the U.S. using a license or other approval, to include an ITAR exemption, may be resold, transferred, diverted, transshipped, re-exported to, or used in any country, or by any end user or for any end use, other than that described on the license or other approval.

DISPOSITION OF LICENSE

The final disposition of this license shall be in accordance with 22 CFR 123.22(c).

ENDORSEMENT

Indicate below which COMMODITY is BEING EXPORTED and maintain a CONTINUING BALANCE of the remaining value:

SHIPMENT DATE	QUANTITY	COMMODITY	SHIPMENT VALUE	XTN/ITN	INITIALS	PORT OF EXIT/ ENTRY
TOTAL AUTHORIZED VALUE:						

REMAINING BALANCE:

NOTE: Continuation of additional shipments must be authenticated by use of continuation sheets in the U.S. Customs handbook.



February 22, 2024

Director, Office of Defense Trade Controls Compliance
U.S. Department of State – Directorate of Defense Trade Controls (DDTC)
2401 E Washington Street, NW
Washington, D.C. 20037

Subject: Supplemental Explanation of DSP-6 Amendment Request

Dear Sir/Madam,

For the reason stated in Block 20(B) of this DSP-6, PACEM Defense believes it to be prudent to add Battle Born Munitions to the DSP-5 as an additional U.S. Consignor. On February 7th, 2024, the information below was provided via email to Tom Trotto. This, in concert with the reasoning stated in Block 20(b) of this DSP-6 Application drove the determination that PACEM has a duty to notify DDTC of this information.

From: Joseph Schmitz
Sent: Wednesday, February 7, 2024 2:58 PM
To: TrottoT@state.gov
Subject: Request for Guidance in re. DSP-5 #050784453

Tom: As I mentioned in my voicemail yesterday, I am facing a DDTC licensing situation I have never faced before and would appreciate your procedural guidance.

The situation has to do with DSP-5 #050784432, which was issued on January 22, 2024, and involves [REDACTED] rounds of M430A1 grenades destined for the National Police of Ukraine. In our application we identified DSS PLC of Czechia (aka the Czech Republic) as the Foreign Consignee. Before we applied for this license on January 2, 2024, we insisted to DSS that Battle Born Munitions (“BBM”), which had been an earlier contractual partner with DSS, not be involved in any way. DSS agreed to this condition, so when we applied on January 2, 2024, we did not mention BBM in our DSP-5 application. I also understand that my Pacem colleague Brian Crouch subsequently assured you in a phone call that BBM was not involved.

Late last week, we received new information suggesting that BBM might have been involved, contrary to our condition for doing business with DSS. Specifically, a text from our DSS point of contact stated, in connection with an upcoming phone call: “As for BBM I insist to have them on call as they are DSS partners and are assisting with this project.”

As soon as we learned of this possible involvement of BBM, we promptly insisted that DSS assure us in writing that BBM is not involved. DSS sent us a letter on February 5, 2024, stating that BBM “is no longer associated in any way with this transaction.” The next day, the Czech Ministry of Defense stated in a letter that, “BBM is no longer part of this project.” While both of these letters are reassuring going forward, they both leave open the appearance that BBM was involved, contrary to our implicit and explicit representation to you that BBM was not involved.

Given the steps we have already take, it is unclear whether or not we have any further obligations



to act on this new information, so we want to make sure that we have satisfied any need we have to inform the appropriate U.S. Government officials of this new information. As I have never dealt with this type of situation before, I would appreciate your procedural guidance. /Joe/

JOSEPH SCHMITZ

Chief Legal Officer



2941 Fairview Park Drive
Suite 350
Falls Church, VA 22042

US Cell: +1 703 992 3095
Office: +1 571 385 0297
Email: joseph.schmitz@pacem-solutions.com
joseph.schmitz@pacem-defense.com

Additionally, we are now aware of support by the Czech Ministry of Defence, Intergovernmental Defence Cooperation Agency (AMOS), as communicated in Block 21-Additional Details of this DSP-6 Application, and documented in our support document, "CZ MoD Letter MO119269_2024_5781". We do not believe that this necessitates adding them as a Foreign Intermediate Consignee as they are not a foreign Freight Forwarder. PACEM Defense is making every effort to be fully transparent with DDTC on the details of this transaction.

Please do not hesitate to contact me directly if you have any questions. Thank you.

Sincerely,

A handwritten signature in black ink, appearing to read "Brian E. Crouch".

Brian Crouch
Vice President
PACEM Defense, LLC
brian.crouch@pacem-defense.com
Office - +1 850-838-8455

